Rep. Markey September 27, 1993 Page five

charge [for a five percent franchise fee obligation] shall be included in such amount; the cable operator cannot provide the cable subscriber a basic bill for \$28.50, with a \$1.50 additional charge added as a franchise fee. Thus, the bill would show a charge of \$30, but the cable operator would have the right to include in a legend a statement that the \$30 basic cable service rate includes a five percent franchise fee, which amount to \$1.50."

I have attached a copy of Time Warner's Rate Change notice sent to customers and filed with the City. Also attached are several examples of bills.

#### Conclusion

It is unlikely that the publicized intent of the Cable Act — that 2/3 to 3/4 of consumers will see reductions of 10% in their cable bills — will be achieved in Milwaukee, unless the FCC moves swiftly and effectively to require cable operators to rescind the price increases in unregulated services and to reject the use of negative option marketing to bill subscribers for newly-created optional unregulated services.

There simply is no explanation, consistent with the intent of the Congress in passing the 1992 Act, for any FCC policy that has allowed cable operators to increase prices for unregulated services without advance notice, as Time Warner has done in Milwaukee. Such price hikes simply allow cable companies to evade rate regulation and prevent consumers from enjoying the economic benefits to which they are entitled under the law.

Thank you for the opportunity to comment. I appreciate the Subcommittee oversight of this important consumer protection legislation.

Ronald A. Kuisis Cable Franchise Officer

#### Enclosures

cc: Chair, Utilities and Licenses Committee, Milw. Common Council Chief, FCC Mass Media Bureau for Cable Television
Time Warner Cable

#### Attachment A

Comparison of Package Prices, Showing Reduction in Discount

#### Time Warner Cable Package Price

#### Premium Package 1:

Prior to September 1	Folio	wing September 1
Tier 1: \$10.45 (27 channels) Tier 2: \$13.65 (24 channels)	Tier 1: Tier 2: WGN/WTBS E!/Disc	\$11.65 (25 channels) \$10.25 (22 channels) 2.20 (Unregulated)
Remote: 4,50 Guide: 2.50 Movie	Converter Remote Guide Movie	1.95 .48 2.63 (Unregulated)
Chn'l: \$ <u>12.55</u> \$43.65	Chu'i:	\$ <u>12.55</u> (Unregulated) \$41.71
COST: \$39.85		\$39.85
DISCOUNT: \$ 3.80  REDUCTION IN DIS	COUNT:	\$ 1.86 \$ 1.94

## Attachment B Milwaukee Rate Sheet for Time Warner Cable

# 1993 New Mortthly Rates - Effective September 1, 1993 -

franchise fees and other related transhise costs. Rates include entertainment charges, city

\$11.65 \$1.65 \$1.95 \$2.35 \$2.39 Charges Monty Sarding A La Carbe Paet Jucine 1978, Will Dicorry & El Emchana Indiridual A La Carbe Champels! (WTK, WGA Champy & El Shitchman IV) Converter Preprint Standard Package Service Mandard Ther\*

**Entertainment Packages:** Entertainment Partonne inch 現状ななななない

" Element The count to posterod expending. § Similar The Encloquing to predict a 1s cast class

Monthly A La Carte Rates 525.55 525.55 525.55 5.46 5.46 - For Premium & Other Services The Mevie Channel Home fox Office Playbey TV The Disney Channel CHEEK

375 25 25

accordance with city franchise requirements. frunchise focs will be added to the rates in

# - Activity -

234.00	\$22.98	\$44.86	\$25.00 \$17.00 \$17.00	
Now Install	Recomment	Recomment - Non-pay	Additional Outlets / Relocates / FM Installs: Separate Trip Each Additional or Same Trip Second Drop or Amp Required (3 or May Outlets)	VCR & AB Switcher:

SZG. BBpritous \$20.8 \$ 7.8 \$ 2.00 \$10.00 22.2 \$37.00 22.88 (De atore cates do not include applicable innex.) Separate Trip Each Additional or Same Trip Coxtons Wire plan man 4 partes) Switch / Ungrade (?) Swillich (Sunders) Besic) Pest-wire py own Wall-lish per over Pre-wire peroude

WARNER CABLE Great Priformonose Electricology



## INFORMATION IMPORTANI

- Effective September 1, 1993

As you may be aware, Congress recently passed the Code Television Consumer Protection and Compatition Act of 1992. These new Federal regulations will be impocing our business in a variety of ways, affecting both prices and programming.





1610 N. 2nd Street Milwaukee, WI 53212-3980 414-277-4032 Fax; 414-224-6155

Thomas Sharrard
President
Milwaukee Division

August 30, 1993

Mr. Ronald Kuisis City Hall Room 606F 200 E. Wells Street Milwaukee, WI 53202

Dear Mr Kuisis:

In July we provided you with a brief letter discussing the 1992 Cable Consumer Protection and Competition Act of 1992. This new federal legislation will impact our business in a variety of ways, affecting both prices and programming. We regret that we were not able to provide you or our customers the customary 30 day notice of rate changes. However, the Federal Communications Commission (FCC) preempted such notice in order to meet their. September 1 deadline for implementation. The purpose of this letter is to provide as much information as possible to apprise you of the effects of these new regulations.

#### RATE INFORMATION (Effective September 1, 1993)

The new cable legislation requires cable companies to adjust their rates according to benchmark schedules prescribed by the FCC. You may have read media reports earlier this year about anticipated reductions in cable rates. Unfortunately, those reports were premature and somewhat inaccurate. Actual implementation of the FCC schedules will result in some specific cable charges (such as for additional outlets and remote controls) going down. However, there will also be new charges for certain cable equipment items, such as converter boxes. These changes are due to the FCC's requirement that all equipment be priced separately, not as part of a package. By breaking out these costs, the customer's total monthly bill may increase, decrease, or stay the same depending on the equipment used.

The Federal legislation does provide for cable companies to eliminate senior citizen discounts and multi-pay package customer discounts. However, we have chosen to retain both our senior citizen discounts and package discounts for our customers.

Warner Cable customers in your community will be subject to these new rates effective September 1, 1993. Since our customers' monthly bills do not cycle on September 1, their September bills will reflect a "partial month" adjustment.

#### **'MUST CARRY'/RETRANSMISSION CONSENT**

Under the new FCC regulation, local commercial broadcasters had to inform us of their election between "must carry" or "retransmission consent". Only Channels 18 (WVTV) and 58 (WDJT) in our area chose "must carry".

Street & Control of the periodic page 122 of



We are pleased to inform you that we have signed "retransmission consent" agreements with WIMJ TV 4 (NBC) and WISN TV 12 (ABC), and are finalizing an agreement with WITI TV 6 (CBS). We have yet to reach agreement with Fox (WCGV TV 24) as well as some Madison and Green Bay stations and some radio stations now carried in some of our systems. Although we are confident we will reach agreement with the balance of the stations, if agreement is not reached, these stations may not allow us to carry them after October 5.

#### "A LA CARTE" SELECTION OF PROGRAMMING

We are pleased to announce that we will also begin offering some of our programming on an "a la carte" basis. Customers will have greater choice and flexibility in selecting the programming of interest to them and their families. In your community, WIBS, WGN, El and Discovery will be available to be purchased separately or in a discounted package.

#### FURTHER INFORMATION SOURCES

These changes mandated by Congress and the FCC may be very confusing for our customers. We are going to provide information on these issues through several sources to answer any questions you or your constituents may have. For example, on Tuesday, September 7th, at 6:30 p.m., I am hosting a 30-minute live call-in show on MATA Channels 14/47 which will be available to viewers within the City of Milwaukee. We will run this program continuously in your community on Channel 52 from Friday, September 10th at 9:00 a.m. to Monday, October 4th at 9:00 a.m.

We expect a significantly higher volume of telephone calls during the next 60 days. We have increased our staff and the numbers of lines to attempt to accommodate this volume; however, customers may still experience longer than normal delays. We appreciate your patience as we implement these changes mandated by the Federal Government. Please see enclosed additional information (including new channel line up). If you have concerns, please feel free to call me (277-4032) or Bev Greenberg (277-4190). Be assured that we stand by our commitment to provide all of our customers with the very best in-home entertainment services.

Very truly yours,

Thomas Sharrard

President

<sup>1</sup> Green Bay stations: WFRY/WBAY/WLUK/WGBA; Madison stations: WKOW/WISC/WMTY/WMSN 2 WBWI/WEZV/WFWR/WGLB/WLIP/WIIL/WWKQ/WKLH/WKTI/WLUM/WLZR/WMIL/WMYX/WQFM/WYCY/WYMS/WZTR.

#### **NEW WARNER CABLE - MILWAUKEE RATES**

#### EFFECTIVE SEPTEMBER 1. 1993

#### IN COMPLIANCE WITH THE 1992 CABLE ACT

RATE CHANGES:	Old Warner Rate*	. New FCC Rate*	Increase (Decrease)
Basic Service	\$10.45	\$11.65	\$1.20
Standard Service Tier	\$13.65	\$10.25	(\$3.40)
Converter (Required on all outlets)	\$0	\$1.95	\$1.95
Combined Standard Eate (with Converter)	\$24.10	\$23.85	(\$0.25)
A la Carte Package**	\$0	\$2.20	\$2.20
Additional Outlet	\$7.88	<b>\$0</b>	(\$7.50)
Premium Access Charge w/add'l outlet (plus required converter charge)	-0-	\$3.42	\$3.42
Remote Control	\$4.50	\$0.48	(\$4.02)
Channel Guide Magazine	\$2.63	\$2.63	-0-
Premium Package 1***	\$39.85	\$39.85	-0-
Premium Package 2***	\$46.15	\$46.15	-0-
Premium Package 3444	\$52.45	\$52.45	-0-
Presium Package 4***	\$58.75	\$58.75	-0-
Premium Package 5***	\$65.05	\$65.05	-0-
Premium Package 6***	\$69.20	\$69.20	-0-
Senior Package***	\$24.10	\$24.10	-0-
A La Carte Premium Channels (Showtime, The Hovie Channel, MBO, Cinemax, Playboy TV)	\$12.55 each	\$12.55 each	-0-
A La Carte Disney****	\$9.40	\$9.40	-0-

The above lists the new cable rates for City of Milwaukee residents. Figures in parentheses represent a decreased cost under the new system. Figures without parentheses represent an increase.

<sup>\*</sup>Milwaukee: Rates include entertainment charges, city franchise fees and other related franchise costs.

<sup>\*\*</sup> Choose to receive WTBS, WGM, E! or Discovery at \$.79 per channel or receive all four channels for \$2.20.

<sup>\*\*\*</sup> Includes a la carte package.

<sup>\*\*\*\*</sup> Priced at \$4.15 per month with two pay or more package.

#### TWC-Milwaukee Standard Insaliation Charges

#### AMOUNTS EXCLUDE FRANCHISE FEES AND APPLICABLE TAXES

Activity	Milwaukee
New install	\$34.00
Reconnect	\$22.00
Reconnect - Non-pay	\$44.00
A.O's/Relocates/FM installs: Separate trip Each additional or	\$26.00
same trip	\$17.00
Second drop required or amp required (3 or more outlets)	\$17.00
VCR & A/B swithces: Separate trip Each additional or same trip	\$20.00 \$7.00
Switch (standard/basic)	\$2.00
Switch/Upgrade (premium channels)	\$10.00
Pre-wire (per outlet)	\$28.00
Post-wire (per outlet)	\$37.00
Wall-fish (per outlet)	\$22.00
Custom Wire (> 4 outlets)	\$26 Per hr.

#### Attachment C

Basic Service Bills: Before and After Rate Regulation



P.O. Box 2994 Milwaukee, WI 53201-2994 Great Performances, Every Day.

ACCOUNT NUMBER	AMOUNT DUE
OF TENTELLE	17.62
DUE DATE	9/29/93

37070756455773 297,1000

SHAMATT BOANE 13 N JIST MILWAUKEE WI 53222-3449

PLEASE DETACH AND RETURN TOP PORTION WITH YOUR PAYMENT





STATEMENT DATE: 9/09/93 ACCOUNT NUMBER: CO-COUNT NUMBER:

PLEASE BE AWARE THAT WTBS, WGN, E!, AND DISCOVERY ARE NOW "OPTIONAL" SERVICES. THESE CHANNELS, WHICH YOU HAD BEEN PAYING FOR AS PART OF YOUR "BASIC" OR "STANDARD" SERVICES ARE NOW BEING BILLED TO YOU "A LA CARTE". YOU NOW HAVE THE "OPTION" TO PURCHASE THESE CHANNELS INDIVIDUALLY OR IN A MONEY SAVING PACK. SEE BILL INSERT FOR MORE DETAILS. YOUR RECURRING MONTHLY SERVICE CHARGE WILL BE - \$15.97

DATE	DESCRIPTION	AMOUNT
90993	FCC RATE ADJUSTMENT 09/01/93 TO 09/10/93	1.65
91093	CHARGES FR 09/10 TO 10/09 BASIC SERVICE @ \$10.27	11.07
	PUBLIC ACCESS/OTHER FRANCHISE COSTS @ .80¢	
91093	WTBS/WGN	1.50
91093	CONVERTER	1.85
91093	FRANCHISE FEES	.76
91093	SALES TAX	.79

CATV FRANCHISING AUTHORITY

FCC #: CITY OF MILWAUKEE WI0438

200 EAST WELLS STREET

AMOUNT DUE:

17.62

MILWAUKEE, WI 53202

**DUE DATE:** 

9/29/93

Payments received after 9/09/93 are not reflected in this statement. WARNER HOME THEATRE SEPTEMBER HITS - MALCOLM X, GROUNDHOG DAY, AND THE CRYING GAME. ORDER NOW!

PAGE 1 OF 1 ACCOUNT NUMBER: OL OF EUTCETT 2 STATEMENT DATE: 1/09/93

BECOME A MEMBER OF WARNER CABLE'S "FREEquent flicks" PROGRAM!
ORDER ANY WARNER HOME THEATRE PAY-PER-VIEW MOVIE AND YOU ARE
AUTOMATICALLY ENROLLED. EARN 1 VIEWER POINT FOR EACH MOVIE YOU
BUY. ACCUMULATE 8 VIEWER POINTS AND YOU RECEIVE A FREE MOVIE.
ORDER TODAY!

DATE	DESCRIPTION	· AMOUNT
****	CHARGES ED OLIVIO TO 00 (00	
11093	CHARGES FR 01/10 TO 02/09 BASIC SERVICE	9.15
11093	OTHR FRANCHISE REL COSTS	.80
11093	FRANCHISE FEES	. 50
11093	SALES TAX	. 57

Jaid Charlet 542 1-18-93

AMOUNT DUE:

11.02

DUE DATE:

1/29/93

Payments received after 1/09/93 are not reflected in this statement. HEAT UP JANUARY W/ WARNER HOME THEATRE. SEE SISTER ACT, LETHAL WEAPON 3, HOOK, & PATRIOT GAMES.

PAGE 1 OF 1

For automated payment and account information call 271-9723.

Attachment D
Sample Bills (After Rate Regulation)



WARNER CABLE COMMUNICATIONS INC.

P.O. Box 2994 Milwaukee, WI 53201-2994 Great Performances. Every Day. ACCOUNT NUMBER AMOUNT DUE

37¢

MILWAUKEE WI 53215-488-7

5-7

PLEASE DETACH AND RETURN TOP PORTION WITH YOUR PAYMENT





ACCOUNT NUMBER: CHINA

STATEMENT DATE: 8/31/93

#### YOUR RECURRING MONTHLY SERVICE CHARGE WILL BE - \$67.61

DATE	DESCRIPTION		AMOUNT
****	CHARGES FR 09/01 TO 09/30		
90193	STANDARD PACKAGE:		20.81
	BASIC SERVICE @ \$10.27		
	STANDARD TIER @ \$9.74		
	PUBLIC ACCESS/OTHER FRANC	HISE COSTS @ .80¢	
90193	HBO/CINEMAX/SHOWTIME/TMC		47.68
90193	WTBS/WGN/E!/DISCOVERY		3.00
90193	PREM PAC/ALA CARTE DISCNT		20.48
90193	REMOTE CONTROL		46
90193_	GUIDE		- ~ ~2 <u>.6</u> 3
90193	CONVERTER		1.85
90193	A/O PREMIUM ACCESS		3.25
90193	ADDITIONAL CONVERTER		1.85
90193	FRANCHISE FEES		3.07
90193	SALES TAX		3.49
CC #:	CATY FRANCHISING AUTHORITY CITY OF MILWAUKEE	AMOUNT DUE:	67.61
10438	200 EAST WELLS STREET	· · · · · · · · · · · · · · · · · · ·	
10730	MILWAUKEE, WI 53202	DUE DATE:	9/20/93

Payments received after 9/03/93 are not reflected in this statement.

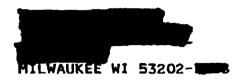
PAGE 1 OF 1



P.O. Box 2984 Milwaukee, WI 53201-2994 Great Performances. Every Day.

ACCOUNT NUMBER	AMOUNT DUE
***************************************	39.91
DUE DATE	10/06/93

31015006820733 0003771



PLEASE DETACH AND RETURN TOP PORTION WITH YOUR PAYMENT





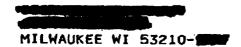
		MENT DATE: 9/16/9:	
	BE AWARE THAT WTBS, WGN, E!,	AND DISCOVERY ARE	NOW "OPTION
SERVIC	ES. THESE CHANNELS, WHICH YOU	HAD BEEN PAYING	FOR AS PART
YOUK "	BASIC" OR "STANDARD" SERVICES . YOU NOW HAVE THE "OPTION" T	O DIDCHASE THESE	LED IO IOO "
CARIE"	OR IN A MONEY SAVING PACK. S	C PUKUMASE INESE (	CHARRELS IND
	ECURRING MONTHLY SERVICE CHARG		
DATE	DESCRIPTION		AMOUNT
81793	PRIOR CHARGES FCC RATE ADJUSTMENT 09/01/93		.010
91693	FCC RATE ADJUSTMENT 09/01/93	TO 09/17/93	1.26-
	BALANCE FORWARD		1.27-
****			
91793	STANDARD PACKAGE:		20.81
,,_	BASIC SERVICE @ \$10.27		
	STANDARD TIER @ \$9.74		
	PUBLIC ACCESS/OTHER FRANC	HISE COSTS @ .80¢	
91793	НВО		11.92
91793	WTB\$/WGN/E!/DISCOVERY		3.00
91793	PREM PAC/ALA CARTE DISCNT		.91-
	REMOTE CONTROL		.46
91793	CONVERTER FRANCHISE FEES	•	1.85
91793	FRANCHISE FEES		1.95
91793	SALES TAX		2.10
	CATY FRANCHISING AUTHORITY		<b>70.01</b>
	CITY OF MILWAUKEE	AMOUNT DUE:	39.91
110438		DUE DATE:	10/04/07
	MILWAUKEE, WI 53202	DUE DATE:	10/06/93
			3

RNER CABLE COMMUNICATIONS INC.

P.O. Box 2994 Milwaukee, WI 53201-2994 Great Performances, Every Day.

ACCOUNT NUMBER	AMOUNT DUE
	27.98
DUE DATE	10/08/93

37070754947073 0002798





PLEASE DETACH AND RETURN TOP PORTION WITH YOUR PAYMENT

ACCOUNT NUMBER: 🛳 STATEMENT DATE: 9/18/93

PLEASE BE AWARE THAT WTBS, WGN, E!, AND DISCOVERY ARE NOW "OPTIONAL SERVICES. THESE CHANNELS, WHICH YOU HAD BEEN PAYING FOR AS PART OF YOUR "BASIC" OR "STANDARD" SERVICES ARE NOW BEING BILLED TO YOU "A CARTE". YOU NOW HAVE THE "OPTION" TO PURCHASE THESE CHANNELS INDIVI-DUALLY OR IN A MONEY SAVING PACK. SEE BILL INSERT FOR MORE DETAILS YOUR RECURRING MONTHLY SERVICE CHARGE WILL BE - \$27.98

DATE	DESCRIPTION	AMOUNT
*****	CHARGES FR 09/19 TO 10/18	
91993	STANDARD PACKAGE:	20.81
	BASIC SERVICE @ \$10.27	
	STANDARD TIER @ \$9.74	
	PUBLIC ACCESS/OTHER FRANCHISE COSTS @ .80	¢
91993	WTBS/WGN/E!/DISCOVERY	3.00
91993	PREM PAC/ALA CARTE DISCNT	. 91-
91993	REMOTE CONTROL	.46
91993	CONVERTER	1.85
91993	FRANCHISE FEES	1.32
91993	SALES TAX	1.45

CATY FRANCHISING AUTHORITY

FCC #: CITY OF MILWAUKEE WI0438 200 EAST WELLS STREET AMOUNT DUE:

27.98

MILWAUKEE, WI 53202

DUE DATE:

10/08/93

Payments received after 9/18/93 are not reflected in this statement. WARNER HOME THEATRE SEPTEMBER HITS - MALCOLM X, GROUNDHOG DAY, AND THE CRYING GAME. ORDER NOW!

PAGE 1 OF

For automated payment and account information call 271-9723.

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		4 WIRC (DESC) Manhagan	6 WITS (DED) Westington	· WIND (PAID) Attents	7 WAA (ABC) Westington		9 WURA (CBB) Washington	to WETA (PUR) Membryton	11 WELL (CAS) Delinors	the property designation of the second	13 WAR (ABC) Bellinors	to the country between	A COMMENTATION TO SECURE	to United (Part) Westergies	_	10 P. C. CONTROLLEM	-19 THE MOVIE CHANGE.	

CARLETTER	TO STATE OF THE POST	21 THE WEATHER CHANNEL	22 C-STATE			A MONTH SHOPTING METWORK M		27 COMMT TV	2 SCHOOLER	_	_	22 E ENTENTANMENT	TO CAC PARTICON CHANNEL	A TRAFFICHMENT.	26 STEERSTONAL METERORY	28 SPORTS TRACKER
	2 HOME TEAM SPORTS	4 PECHILOPEOF	* ****	6 USA HETWORK	7 THE CONTROLL ENTINOUS		O THEMS RETURNED IN	to THE GEOCOMBITY CHANGEL	TI CARLE REPORTE	12 CHRISTONIAN HEND	to Agree & Character Administra	٩	*15 THE DEBIET CHARREL	S THE FARE,Y CHANNEL	17 BLACK ENTERTRANSMENT TV	18 OVC SHOPPERS METINGER

9315 Largo Dr. West, La

As West, Landonse, MD 20786
RATE CARD

######################################	25.00 25.55 25.50 25.50 25.50 31.58	\$28.95 Upon Request \$14.95 \$14.95 \$14.95 \$14.95	\$200.00 \$2.50 \$3.5
*Limited Basic Tier Service Preferred Package (Limited Basic and Tier Service) Home Box Office Showtime The Movie Channel The Disney Channel Premium Service Package (All Four Movie Channels)	VCR Charge (Optional Recording Capabilities) Limited Basic Additional Outlet Preferred Package Additional Outlet Remote Control Converter Program Guide - Premium Chemeta and Remote Control Converters are not package	Installation Charges Standard Installation Custom Installation installation of Additional Outlet Refocate Outlet Reconnect Outlet Cupgrade of Service Installation of A/B Switch	Unreturned Converter Unreturned Converter Damaged Converter Addressable Non-Addressable Non-Pay Recunnect Bad Check Reconnect Late Fee "Customer Equipment Charge

#### Metro Vision 9315 Largo Drive West, Landover, MD 20785 (RESIDENTIAL) RATE CARD

Description of Service	Culti
	Monthly Charges
Basic Service (A Cable 33 channels)	
	\$10.99
Cable Service (B Cable 33 channels)	\$10,99
Preferred Service (A & B Cable 66 channels)	\$21.98
Premium Movie Channels	•
Home Box Office	\$8.20
Showtime	\$7.20
Cinemax	\$8.00
The Movie Channel	\$8.00
The Disney Channel	\$8.00
Premium Movie Discounts	
The Disney Channel (When Purchased With Any Other	Premium Channel) \$5.00
Cinemax (When Purchased With 2 or More Premium C	
All Star Premium Package	\$34.00
*Save \$6.00 When You Purchase All 5 Prem	¥= : ** *
Equipment Charges	
•	•
Addressable Converter (Pay-Per-View Capable)	\$2,06
Non-Addressable Converter	\$1,85
Remote Control	\$0.40
Miscellaneous Charges	
Program Guide	\$1,58
VCR Charge	\$5.00
Unreturned or Damaged Addressable Converter	\$185.00
Unreturned or Damaged Non-Addresseble Converter	\$100.00
Unreturned or Damaged Remote Control	\$8.00
Returned Check Fee	\$25.00
Late Fee	\$5,00
	\$10.00
A/B Switch	310.00
Installation Charges	Service Charges
Underground Installation	\$109.68
Aeriai Installation	\$ 72.48
Apartment Installation	\$ 37.18
Reconnection Service	\$ 37.18
Additional Outlet Installation/Relocate Outlet/VCR Cor	nection \$ 39.00
Additional Outlet Installation with Primary Installation	\$ 29.70
Non-Pay or Bad Check Reconnection	\$ 47.18
Upgrade of Service	\$ 37,18
Service Charge (Customer Equipment)	\$ 37,20
	÷ • · · · ·

A Franchise Fee of 5% is assessed to your total monthly charges and paid to your local community for the use of public easements.



## THE PRINCE GEORGE'S COUNTY GOVERNMENT



#### OFFICE OF CITIZEN AND CONSUMER AFFAIRS

September 20, 1993

The Honorable Edward Markey Chairman, House Telecommunications Subcommittee 316 Ford Office Building Washington, D. C. 20515

Dear Congressman Markey:

Thank you for conducting hearings pursuant to the changes in cable television rates and services mandated by the 1992 Cable Act and the Federal Communications Commission rules. Prince George's County, Maryland, is one of the communities where rates for basic cable service increased. Northern Prince George's County is served by MultiVision and southern Prince George's County is served by MetroVision.

Prior to September 1, 1993, rates for basic service in Prince George's County were \$3.00 per month for MultiVision and \$2.45 per month for MetroVision. As of September 1, MultiVision's basic rate increased to \$11.55 per month and MetroVision's basic rate increased to \$10.99 per month.

Metrovision's monthly rate for their tier equivalent to the cable programming service tier prior to September 1 was \$21.45. To get the same programming as of September 1 costs subscribers \$21.98 plus \$1.10 franchise fee plus \$1.85 for a non-addressable converter or \$2.06 for an addressable converter plus \$.40 for a remote control. Multivision's comparable rates were \$25.95 and now costs \$28.95 plus \$3.05 for a converter plus \$.34 wire maintenance fee. Multivision also removed four channels (Home Team Sports, Turner Network Television, WWOR and WTBS) from their cable programming service tier and now sell them "a la carte" or as a group which they call "Multivision Variety Package" for an additional \$3.61 per month. To my knowledge, subscribers were not offered either the four a la carte stations or the wire maintenance fee as new options, but rather they appeared itemized on subscriber's first bill after September 1. Subscribers must inform MultiVision they do not want these services (negative billing option).

County Administration Building — Upper Mariboro, Maryland 20772

TDD-(301)-925-5167

The Honorable Edward Markey September 20, 1993 Page 2

I am'also very concerned about a plan MultiVision will implement in December. They are building fiber optics between the main headend and other hubs in the County. When they switch over to fiber in December 1993, MultiVision will acramble signals on the "cable programming service" tier, which will force subscribers to rent one of their converters, on the primary outlet and also on additional outlets. We have inquired about this practice and MultiVision verbally informed us that building the fiber forces them to "secure their signal". From whom? Since subscribers can now wire their own homes, once the cable is into the home they can split the signal if they so wish. submit that scrambling their signal is only a method to force subscribers to rent converters which increases their revenue while at the same time making "cable ready TVs" useless in northern Prince George's County. The other cable operator, Metrovision, has miles of fiber built and operational in southern Prince George's County, and the only channels they scramble are the premiums and pay-per-view. If a subscriber has a dual input cable ready television set in southern Prince George's County, they only need a converter if they subscribe to premiums or payper-view.

Another issue is that prior to September 1, service calls were made at no extra fee to subscribers.

Enclosed for your information are letters the Commission has written to both the FCC and the cable operator expressing concern about new rates and services.

I have also enclosed for your perusal a copy of rate charts for both operators for before and after September 1. As you will observe from the rate cards, there appears to be a rate increase which violates the rate freeze in effect until November. The only subscribers in Prince George's County who experienced a reduction in their monthly cable bills were those who had additional outlets — and MultiVision did not eliminate those charges completely, they still charge for "premium service duplication" (\$3.00 per outlet).

 The Honorable Edward Markey September 20, 1993 Page 3

Thank you for giving local franchising authorities the opportunity to bring our concerns forward. If I can be of any assistance, please feel free to contact me (301-952-3990).

Sincerely,

John E. Askew, Sr. Executive Director

table Television Commission

#### Enclosures:

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- 1. Letter to the FCC dated August 23, 1993.
- 2. Letter to MultiVision dated September 1, 1993.
- 3. Response from MultiVision dated September 13, 1993.
- 4. Letter to MultiVision dated September 14, 1993.
- 5. Rate card and channel line-up prior to September 1, 1993, MultiVision;
- Rate card and channel line-up effective September 1, 1993, MultiVision;
- 7. Rate card and channel line-up prior to September 1, 1993, MetroVision;
- 8. Rate card effective September 1, 1993, MetroVision.
- cc: The Honorable Steny Hoyer, Member of Congress
  The Honorable Albert Wynn, Member of Congress



## THE PRINCE GEORGE'S COUNTY GOVERNMENT



#### OFFICE OF CITIZEN AND CONSUMER AFFAIRS

August 23, 1993

Federal Communications Commission 1919 M Street, N. W.. Washington, D. C. 20036

Dear Sir/Madam:

The Cable Television Commission is the local franchising authority for Prince George's County, Maryland. One of our cable operators has presented a scenario which seems to be addressed in the evasion section of the rate regulations (FCC 93-185).

The cable operator has indicated that as of the effective date of the new cable rate regulations, not only will the rates change in accordance with the new rules, but there will also be changes to the services provided. Specifically, four channels which have been included in their "expanded basic" tier of service will be removed and sold "a la carte" (HTS, TNT, WOR, and WTBS). Each channel can be ordered separately, or two for a certain price, or three for a different price, or all four at another price. These four channels will no longer be on what was essentially the cable programming service tier.

Footnote 1161 on page 286 of the regulations states: is no evidence that operators would or, as a business matter, could snift programming previously offered as part of a tier to 'a la carte' status, i.e., a per-channel or per-program offering, . to avoid the rate regulation applicable to tiers..."
Page 287, paragraph 455 states: "We also believe that the following practices, if established by the evidence, are evasions: (1) implicit rate increases; (2) a significant decline in customer service without a similar decline in price; and (3) deceptive practices such as improper cost shifting or intentionally misstating revenues. An implicit rate increase would include, for example, a decrease in the number of programming services offered, all other costs being equal, without a decrease in rates. (Footnote 1165) Similarly, a significant decline in customer service, such as 'no longer providing a programming guide (all other costs being equal), without an accompanying decrease in price, would be deemed an

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Federal Communications Commission August 23, 1993 Page 2

evasion of our rate regulations. (Footnote 1166) In these first two instances, an operator, instead of proposing a rate increase subject to our rules, has attempted to earn more profits by decreasing services offered to subscribers..."

Footnote 1165 states: "An operator reducing progamming service without a price reduction would have to file for a basic service rate increase if basic service programming was affected, and would be subject to Commission complaint review if cable programming service offerings were decreased."

Footnote 1166 states: "An operator reducing service in this tashion would have to file for a de facto rate increase with local funchising authorities if the services in issue were primarily associated with the basic tier, and would be subject to a complaint or unreasonable cable programming service rates if the services in issue were associated with upper, non-premium tiers."

It seems to us that our cable operator cannot remove channels from a tier without consequences, i.e., a rate decrease for that tier. However, it is not clear to us whether or not the action described above constitutes evasion. It would be appreciated if the FCC could give us direction so we will be able to deal with calls from subscribers. Thank you in advance for your consideration.

underely,

John E. Askew, Sr. Executive Director

Cable Television Commission

cc: Katie Costello, Associate County Attorney Michele Tucker Rosner, Director, OCCA Cable Television Commissioners

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## THE PRINCE GEORGE'S COUNTY GOVERNMENT



#### OFFICE OF CITIZEN AND CONSUMER AFFAIRS

September 1, 1993

Mr. David A. Wilson Vice President and General Manager MultiVision Cable TV 9609 Annapolis Road Lanham, MD 20706

Dear Mr. Wilson:

There are several aspects of MultiVision's new rate structure about which the Commission has questions. Specifically:

- l. Premium service duplication \$3.00 per outlet. Paragraph 307 of the rate regulation rules (page 194) states:
  "...Thus, if an operator incurs additional charges for programming carried on basic or cable programming channels that it transmits to additional outlets, those charges would be properly recovered through a monthly charge levied for additional outlets in fact receiving that programming. That monthly charge would be limited to the operator's additional programming costs..." Please inform us as to whether the premium service programmers charge MultiVision for reception of their services on additional outlets and if they do, what those fees are. If the programmer charges MultiVision a fee for providing their service on additional outlets, is 100% of the charge to subscribers returned to the programmer?
- 2. Negative billing option. Paragraph 438 (page 274) of the rules states: "We find that, under the 1992 Cable Act, to be billed for any cable service a subscriber must affirmatively request such service. Such requests can be made orally or in writing..." In light of this language, did MultiVision give their subscribers the option of ordering the "wire maintenance fee" and the "MultiVision variety package"? Please explain.

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Mr. David A. Wilson September 1, 1993 Page 2

Thank you for a complete and expeditious response.

Sincerely,

John E. Askew, Sr. Executive Director

Cable Television Commission

cc: Cable Television Commissioners
Michele Tucker Rozner, Director, OCCA
Katis Costello, Associate County Attorney

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